

In re: : Chapter 11
:
COLONNADE PROPERTY, LLC, :
:
Debtor. : Bankruptcy No.: 11-14061-JKF

OBJECTION TO MOTION OF DEBTOR FOR APPROVAL OF POST-PETITION FINANCES BY THE UNITED STATES TRUSTEE

Roberta A. DeAngelis, the United States trustee for Region 3, by and through her counsel, respectfully objects to the Debtor's Motion for Approval of Post-Petition Finances as follows:

1. Pursuant to 28 U.S.C. §586, the United States trustee is charged with the administrative oversight of cases commenced pursuant to Title 11 of the United States Bankruptcy Code.
2. Pursuant to 11 U.S.C. §307, the United States trustee has standing to be heard in this matter.
3. Debtor seeks approval for post-petition financing from insiders at the rate of \$125,000.00 per month, (with no end date) to cover monthly cash flow deficiencies.
4. Debtor proposes to secure the loan (junior to existing pledge(s)) with collateral described in a certain Loan Agreement with National Penn; however no where in the Motion is such collateral precisely described.
5. Debtor does not disclose what equity is presently available for unsecured creditors in such collateral nor how unsecured creditors will be protected by the pledge of this collateral.
6. Moreover, Debtor does not disclose how and when this priority administrative loan will be paid.
7. Debtor should not be permitted to become deeper and deeper in debt each month to

strategy.

Wherefore, it is respectfully submitted that the Motion should be denied.

ROBERTA A. DeANGELIS
United States trustee, Region 3

BY: /s/ George M. Conway
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